

X
W/FEDSES-155-86
2 October 1986

MEMORANDUM FOR: Distribution

THROUGH:

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FROM:

SUBJECT: Minutes of INTERNET Meeting on 29 September 1986

1. The meeting was called by [] to discuss the schedule for INTERNET and possible impacts of any slippage. See attachment for list of attendees.

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2. The meeting began with a discussion of the lease arrangement for the transponder. Basically, a fee of \$180,000 (equivalent to one month's rental) was paid for an option to hold the transponder for a period of one year. Within that year, 60 days' notice to COMSAT was required before transponder turn-on and use. The year for this option expires 10/1/86. However, due to delays in Panama and London, it was felt that an extension to this option year might be possible. [] is to check with COMSAT on the status of the transponder. FBIS needs to know whether another option fee is required at this time or if there is a grace period due to delays in Panama and London.

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3. Once the transponder is operational, FBIS is obligated to pay the monthly rental of \$180,000 (due quarterly). Termination of the contract after the transponder has become operational would result in a penalty charge of at least \$5 million.

4. London should be ready by mid-November to support INTERNET. At Panama, the ground station is almost ready, but the frequency allocation required has not been granted by the Panamanian government, and it is not clear how long this will take. Therefore, Panama is the key to the decision for INTERNET activation.

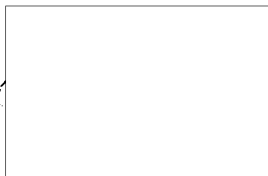
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5. FBIS would like to have both London and Panama ready before activating INTERNET. The consensus is to wait until London is ready in mid-November and see how the Panama situation is shaping up. If the Panama frequency request issue has been resolved or appears resolvable, the required 60-day notice will be given, with INTERNET activation in mid-January.

6. If a solution can not be found for Panama, a reassessment will be required of whether to activate INTERNET with London Bureau only (projected daily take from London Bureau: two British TV newscasts, a Moscow TV newscast, Soviet pressfax, and (tentatively) a Libyan newscast). Depending on contractual arrangements with COMSAT/INTELSAT, activation could take place as late as 1 March 1987.

7. Slippage in the activation schedule would save FBIS \$180,000 per month, or \$720,000 if activation slips to 1 February 1987.



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Attachment: List of Attendees

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FBIS/ESG/ADD/SES: []:tlr/2042(20CT86)

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Original - C/OPS

1 - SA/OPS

1 - C/ICC

1 - C/ESG

1 - C/HED

1 - C/FED

1 - DC/FED

1 - C/DRD

1 - C/MOD

1 - C/AG

1 - C/ADD

1 - DC/ADD

1 - ADD Staff

1 - [] SEM

STAT

1 - C/COM CTR

1 - C/London Bureau

1 - C/Panama Bureau

1 - GE/SES Staff

1 - GE/SES Chrono

1 - Originator

LIST OF ATTENDEES

NAME

ORGANIZATION

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D/FBIS
DD/FBIS
C/ESG
C/OPS
SEM/ESG
FED
FED
C/ICC
C/MOD
CO/FBIS
E & PS
SA/ESG
EO/OPS
MOD
MOD
GE/SES